



SECURITY AGREEMENT

RECORDATION NO. _____ Filed & Recorded

6321

Made on September 7, 1971, between
(Date)

SEP 22 1971 -2 20 PM

Rydal Equipment Co. Reading Terminal, 12th & Market Sts., Phila., Pa. 19107
(Names of all Debtors) (Street and No.) (City) (State) (Zip Code)

INTERSTATE COMMERCE COMMISSION

(herein called "Debtor"), and

THE PHILADELPHIA NATIONAL BANK Broad & Chestnut Sts., Phila., Pa. 19101 Pa.
(Street and No.) (City)

(herein called "Bank"), said address being Bank's address at which information concerning Bank's security interest hereunder may be obtained.

SECURITY INTEREST: Debtor hereby grants to Bank a security interest in (i) the following described property, which is to be purchased with the proceeds of the loan being made by Bank of even date herewith:

DESCRIPTION OF PROPERTY (State whether new or used)	MAKE OR MANUFACTURER	SERIAL NUMBER	MODEL NO. OR YEAR
125 new 70-ton steel railroad box cars	Reading Company	18775 to 18899, inc.	1971

and all replacements thereof and all accessories, parts and equipment now or hereafter affixed thereto or used in connection therewith; ~~and all other property of Debtor now or hereafter acquired by Debtor~~ subject to Conditional Sale Agreement, Agreement and Assignment, Lease of Railroad Equipment and Assignment of Lease and Agreement, all dated as of May 1, 1971, and filed and recorded with the Interstate Commerce Commission at recordation Nos. 6173 to 6173-G, inc. all said property being hereinafter collectively called the "Collateral". Said security interest secures the payment of the obligation of the Debtor to the Bank of even date herewith and all future advances and all other existing and future liabilities whether absolute or contingent, of the Debtor to the Bank of any nature whatsoever and out of whatever transactions arising.

APPLICATION OF LOAN: If the Collateral is being purchased with a loan being made by Bank of even date herewith, Debtor will apply the proceeds of said loan delivered to him in full or partial payment of such purchase price and for no other purposes, and Debtor hereby authorizes Bank to disburse the proceeds of said loan directly to the seller of the Collateral.

DEBTOR WARRANTS AND AGREES THAT:

- (i) The Collateral is used, or to be used, primarily:
- check ☐ in Debtor's business
one ☐ for personal, family, household or farm purposes, and the Debtor's residence is the address stated after the name of the Debtor above.
- (ii) The Collateral will be located at:
- check ☐ the address stated after the name of the Debtor above
one ☒ operated on various railroad lines
(describe realty if item (iii) is applicable)
- applicable only if checked ☐ (iii) The Collateral is affixed or is to be affixed to the real estate described in item (ii) above.
- (iv) If the Collateral is to be used primarily in Debtor's business, the chief place of business of the Debtor is:
- check ☐ the address stated after the name of the Debtor above
one ☐ _____
if applicable

The additional terms on the reverse side hereof are hereby made a part hereof.

THE PHILADELPHIA NATIONAL BANK
(Secured Party)

APPROVED
AS TO FORM

Rydal Equipment Co.

(Debtor)

(SEAL)

By

Robert J. Spencer
Vice President
(Name and Title)

By

J. R. Greene
Attest: J. R. Greene (Debtor) Vice President

(SEAL)

By

Carmichael
(Name and Title) Secretary

ADDITIONAL TERMS

A. DEBTOR FURTHER REPRESENTS, WARRANTS AND AGREES:

1. Debtor has or will acquire absolute title to the Collateral free and clear of all liens, encumbrances and security interests except the security interest hereby given to Bank and other rights, if any, of Bank, and Debtor will defend the Collateral against the claims and demands of all persons, **except as heretofore noted.**
2. Debtor will not (a) permit any liens or security interests (other than Bank's security interest) to attach to any of the Collateral; (b) permit any of the Collateral to be levied upon under any legal process; or (c) permit the Collateral to become a fixture unless this fact has been disclosed on the face hereof, **except as aforesaid.**
3. Without the prior written consent of Bank, Debtor will not sell, exchange, lease or otherwise dispose of the Collateral or any of Debtor's rights therein or under this Agreement, **except as aforesaid.**
4. Debtor will maintain the Collateral in good condition and repair, and will pay the cost of repairs to or maintenance of the same and will not permit anything to be done that may impair the value of any of the Collateral or the security intended to be afforded by this Agreement.
5. Debtor will insure the Collateral against such casualties as Bank shall require in such forms and amounts and with such companies as shall be satisfactory to Bank. All insurance policies shall be written for the benefit of Debtor and Bank as their interests may appear, and such policies or certificates evidencing the same shall be furnished to Bank. Debtor hereby assigns to Bank any return or unearned premiums which may be due upon cancellation of any such policies for any reason whatsoever and directs the insurers to pay Bank any amounts so due. Bank is hereby appointed Debtor's attorney-in-fact to endorse any draft or check which may be payable to Debtor in order to collect such return or unearned premiums or the proceeds of such insurance. Any balance of insurance proceeds remaining after payment in full of all amounts secured hereunder shall be paid to Debtor.
6. Debtor will not permit any of the Collateral to be removed from the location specified herein, except for temporary periods in the normal and customary use thereof, without the prior written consent of Bank, and will permit Bank to inspect the Collateral at any time.
7. Debtor will pay all costs of filing any financing, continuation or termination statements with respect to the security interest created by this Agreement. Bank is hereby appointed Debtor's attorney-in-fact to do, at Bank's option and at Debtor's expense, all acts and things which Bank may deem necessary to perfect and continue perfected the security interest created by this Agreement and to protect the Collateral.
8. If the Collateral includes a motor vehicle or any other type of property for which a certificate of title is issuable, Debtor will join with Bank in doing whatever may be necessary to have a statement of the security interest created by this Agreement noted on said certificate and will deposit said certificate with Bank.
9. If the Collateral is used or bought for use primarily for personal, family, or household purposes, or for farm purposes, Debtor will immediately advise the Bank in writing of any change in the Debtor's residence; or if the Collateral is bought for business purposes, Debtor will immediately advise the Bank in writing of any change in any of Debtor's places of business, or the opening of any new place of business.
10. Until default Debtor may retain possession of the Collateral and use it in any lawful manner not inconsistent with the agreements herein, or with the terms and conditions of any policy of insurance thereon.

B. DEFAULT:

1. Upon default by Debtor in the performance of any covenant or agreement herein, or in the discharge of any liability to Bank, or if any warranty should prove untrue, Bank shall have all of the rights and remedies of a secured party under the Uniform Commercial Code or other applicable law and all rights provided herein, in the obligations mentioned above, or in any other applicable security or loan agreement, all of which rights and remedies shall, to the full extent permitted by law, be cumulative. Bank may require Debtor to assemble the Collateral and make it available to Bank at a place to be designated by Bank which is reasonably convenient to Bank and Debtor. Any notice of sale, disposition or other intended action by Bank, sent to Debtor at the address specified above, or such other address of Debtor as may from time to time be shown on Bank's records, at least five days prior to such action, shall constitute reasonable notice to Debtor.
2. The waiver of any default hereunder shall not be a waiver of any subsequent default.
3. Debtor will pay as part of the debt hereby secured all amounts, including attorneys' fees, with interest thereon, paid by Bank in taking possession of, disposing of or preserving the Collateral after any default hereinabove described, including amounts required to satisfy liens and maintain insurance on the Collateral or to keep the Collateral in good condition and repair.

C. MISCELLANEOUS:

The rights and privileges of Bank under this Agreement shall inure to the benefit of its successors and assigns. All representations, warranties and agreements of Debtor contained in this Agreement are joint and several if Debtor is more than one, and shall bind Debtor's personal representatives, heirs, successors and assigns. If any provision of this Agreement shall for any reason be held to be invalid or unenforceable, such invalidity or unenforceability shall not affect any other provision hereof, but this Agreement shall be construed as if such invalid or unenforceable provision had never been contained herein.